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SUBJECT: PSI OPERATIONAL EXPERTS GROUP MEETING IN RHODES,
GREECE (OCTOBER 2-4, 2007)

SUMMARY

1. The Proliferation Security Initiative (PSI) Operational Experts Group (OEG) meeting took place in Rhodes, Greece on October 2-4, 2007. Information contained in this cable is provided for Posts' information and is not to be passed to non-OEG participant governments. A follow-on cable will provide a non-paper to pass to host nation governments of all PSI-endorsing states to keep them abreast of developments in the PSI OEG.

BACKGROUND

2. Meeting Summary: Greece hosted the fifteenth Proliferation Security Initiative (PSI) Operational Experts Group (OEG) meeting in Rhodes on October 2-4, 2007. All twenty participants in the OEG attended (Argentina, Australia, Canada, Denmark, France, Germany, Greece, Italy,

Japan, the Netherlands, New Zealand, Norway, Poland, Portugal, Russia, Singapore, Spain, Turkey, United Kingdom, and the United States). The main foci of this OEG were discussions on maritime, ground, and air interdiction; United Nations Security Council Resolutions; disposition and liability; a Model National Response Plan; intelligence as evidence; the 2005 Protocols to the Suppression of Unlawful Acts at Sea Convention (SUA); national updates from OEG participants; outreach efforts; and PSI exercises. Three break-out sessions were conducted on the legal, law enforcement, and intelligence areas related to PSI. Items proposed by the U.S. included a plan to assist non-OEG PSI partners on how to implement PSI, the development of a set of operational and organizational case studies, and the development of a WMD Commodity Technical Reference Manual. For further detail, see Chairman's Statement in para 25.

¶3. Delegation: The U.S. delegation was led by Richard Douglas, OSD Deputy Assistant Secretary of Defense for Counternarcotics, Counterproliferation, and Global Threats. The delegation included representatives from the Office of the Secretary of Defense (Policy and General Counsel), the Department of State (ISN), the Joint Staff (J5, J3), U.S. European Command, U.S. Central Command, U. S. Strategic Command Center for Combating WMD, the Department of Homeland Security (Customs and Border Protection and General Counsel), the Federal Bureau of Investigation, the Department of Energy, the National Counterproliferation Center (DNI), the Defense Intelligence Agency, the Naval War College, and the

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U.S. Embassy in Athens, Greece.

¶4. Greece Deputy Minister Mr. Ioannis Plakiotakis opened the plenary session of the PSI OEG on October 2, 2007. The remainder of the OEG was chaired by Mr. Dionyssios Kyvetos of the Greek MFA.

¶5. Maritime Interdiction: For the first time at a PSI OEG, the issues of bunkering, chokepoints and hubs were the subject of a panel discussion. Presentations from representatives of the UK, the Netherlands, Singapore, Japan and the United States highlighted opportunities and challenges for PSI at these nodes along shipping transport routes.

¶6. Suppression of Unlawful Acts at Sea Convention (SUA): Greece, Norway, the UK, France and the United States provided national status updates on the SUA ratification process. Greece expects ratification by mid-2008. Norway, which signed the Protocols, expects ratification in late 2009 or early 2010. Norway noted that additional amendments to their domestic penal code will be required. France reported that they are working on changes to their domestic criminal code. The recent presidential election in France delayed the ratification process slightly, but it is expected in the beginning of 2008. The UK, which signed the Protocols in January 2007, is incorporating them into domestic legislation. The UK legislation will be publicly available once it is officially transmitted to Parliament for consideration. Mr. Gary Sharp (Associate Deputy General Counsel for International Affairs, Department of Defense) delivered the U.S. presentation, which relayed that: 1) implementing legislation was with the White House awaiting transmittal to Senate (subsequent to the U.S. presentation, the U.S. delegation learned that the White House transmitted the bill to the Senate later on October 1, 2007); 2) the U.S. will circulate the document once it becomes available. Russia commented that the dual-use definition used in the SUA Protocols needed additional clarification. The SUA Protocols are currently under review by the Russian Ministry of Transportation.

¶7. Technical Verification Capabilities and Flag State Consent matrices: Singapore distributed an updated version of the matrices and offered to continue making updates as new

information was submitted by OEG countries.

¶18. UNSCRs on Iran and DPRK: Greece opened the discussion by commenting that UNSCR updates are provided as information to OEG partners, acknowledging that UNSCR provisions comprise a part of the international legal framework that the PSI Statement of Interdiction Principles complements. Russia,

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repeating a concern voiced at the Auckland OEG, suggested that the OEG focus on sharing ideas on the implementation aspects of UNSCRs rather than risk duplicating the efforts of relevant UNSC committees. Interventions by Portugal, Australia, and the United States offered additional insights on the challenges of and considerations regarding implementation of relevant UNSCRs.

¶19. DPRK Shipping / Marine Cartography Initiative: France presented the latest version of its project to map primary shipping routes to and from DPRK. The resulting network revealed opportunities for PSI partners to coordinate counterproliferation efforts with non-PSI countries. France recommended the following next steps that OEG partners: 1) exchange views on DPRK visits to OEG/PSI ports; 2) continue to gather information for the project; and 3) consider ways to incorporate the Initiative into PSI outreach efforts. The U.S. thanked France for the excellent project. Poland recommended that OEG countries work closely with countries that own ships carrying the DPRK flag.

¶10. Disposition and Liability: Greece moderated a panel discussion on the legal aspects of disposition and liability. The UK, U.S. and Australia presented their views on the issues. Highlights included: 1) a question posed by Australia as to whether and when sovereign immunity could be waived in the cases where WMD-related materials were shipped on state-owned vessels and aircraft; 2) an inquiry from an OEG delegate about the number and type of actual cases that had been brought before judges, implying that there would be learning value for future OEG discussions on the topic if factual data were available; 3) a statement by Poland on the importance of understanding and resolving the disposition and liability issues before an actual interdiction, which prompted the observation that the lack of such an understanding can lead to a critical hesitation to act; and 4) an offer by the UK to lead the development of a questionnaire that would attempt to break down the logical layers of questions raised by the issues of disposition and liability.

¶11. Use of Intelligence as Evidence: The UK coordinated a presentation and debate between UK intelligence and law experts, illustrating the overlaps and tensions between the approaches taken by these two professional communities. The presentation underscored the importance of parallel case construction in achieving the dual ends of protecting intelligence sources and prosecuting claims. The U.S. intervened to emphasize that the primary objective of PSI is to stop proliferation in the first place; making a case for legal prosecution should come later. An additional point was made to recognize the differences between PSI partners on the

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use of intelligence in a court of law.

¶12. Exercises: An informal session on Exercises was held on October 2 before the official opening of the OEG. Highlights not covered in the Chairman's statement include: 1) additional detail provided by France about Exercise "Guistir" in Djibouti, which will focus on Red Sea and Magreb countries, many of which, according to the French, are skeptical of Western initiatives but are also concerned with proliferation issues; 2) a comment made in response to Dr. Drew Winner's presentation on the Newport Game from June 2007

that there may be value in re-running certain games or exercises on a periodic basis for the benefit of newcomers to the PSI community.

¶13. Ground and Air Interdiction: Julia Mathews (Customs and Border Protection, DHS) delivered a presentation on the US Layered Enforcement Strategy. Australia updated the OEG on the deliberations of the International Civil Aviation Organization (ICAO) Council on the issue of considering an amendment that would criminalize the transport of dangerous materials on aircraft. Australia strongly encouraged OEG partners to consider the transport offense proposals in advance of the November 2007 ICAO Council meeting, noting that such an amendment would be consistent with the PSI Statement of Interdiction Principles. Australia stated that, without strong support from OEG countries, the amendment would likely not be pursued further. In response to Australia's presentation, Canada stated that its internal issues had mostly been resolved and that it was in a position to support an amendment in a manner analogous to the SUA Protocols. Russia stated that it could not support an amendment due to the outstanding technical issues that needed to be resolved. New Zealand lent its support to the amendment, emphasizing the importance of covering the "air gap" in the existing legal framework. UK stated its support.

¶14. Proliferation Finance: Canada provided an update on recent Financial Action Task Force (FATF) meetings in Ottawa and Rome. Delegations agreed to continue including FATF updates in forthcoming OEGs; hence, the UK confirmed that a FATF update will be part of the UK-hosted OEG meeting in February 2008.

¶15. Outreach: New Zealand provided a briefing on the Asia-Pacific Outreach Forum held in March 2007 following the last OEG. Australia reported that Indonesia, Malaysia, and China declined the invitation, although China expressed some curiosity about PSI. Australia distributed CDs of presentations that were part of the Outreach Forum, suggesting that delegations may find the presentations useful in future outreach activities. Australia continued with an

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update on general PSI outreach in Asia-Pacific: 1) it remains important to see another major Asia-Pacific country endorse; 2) the Thailand tabletop organized in July 2007 demonstrated the importance of addressing PSI from a whole-of-government perspective; 3) Australia called on OEG partners to help fill the gap in the PSI exercise calendar between Japan's Pacific Shield exercise in October 2007 and New Zealand's Exercise Maru in September 2008. Poland provided an update on its May 2007 outreach event in the Gulf region, noting that there was widespread participation from the region, including high-level representation. Poland observed that there were some misperceptions about PSI, but that the region was ripe for additional outreach, with an emphasis on exercises. Mr. Steven Schleien (Director of Transnational Threats, OSD) delivered a presentation on the need to conduct in-depth outreach activities with non-OEG PSI partners. The UK stated that it would include the issue of regional outreach at the next OEG in February 2008.

¶16. Industry Outreach: The Netherlands, Portugal, and Denmark provided updates on recent industry outreach activities. It was not determined whether or when there would be a subsequent event with industry.

¶17. National Updates: Greece delivered a presentation on combating illicit trafficking of radiological and nuclear materials. The U.S. provided the following updates: 1) Kyrgyzstan, Montenegro and Liechtenstein had formally endorsed the PSI Principles since the Auckland OEG in March 2007, bringing the total number of PSI endorsees as of October 2007 to eighty-six; 2) the recent "Panamax" exercise, in which several PSI partners participated, is a good example of how PSI scenarios can be built into existing mil-mil

exercises; 3) recent counterproliferation talks with the United Arab Emirates revealed that UAE passed a new export control law; and 4) the US hosted two counterproliferation conferences in Monterey in the summer 2007 that were well-attended by PSI partners. No additional countries provided updates.

¶18. Capacity Building / Technical Assistance: New Zealand presented the latest version of the PSI Model National Response Plan and requested final comments from OEG partners by November 1, 2007. Argentina reported that it had not seen the draft plan and therefore would not be in a position to comment. New Zealand commented that the draft plan had been distributed to all OEG partners at the Auckland OEG, so Argentina should have had ample opportunity to review the document. Nineteen countries agreed to put their names on the plan. Vicky Bruch (Principal Member of the Technical Staff, Sandia National Laboratories) presented the final version of the WMD/Missile Commodity Technical Reference

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Manual and distributed CD and hard copies to all OEG delegations. This manual catalogues controlled equipment and commodities (based on UNSCR 1718 lists, export control regime lists, and other WMD handbooks and would assist anyone who reviews shipping documentation or export licenses to make assessments on the controllability of an export (industry, law enforcement officials, licensing review officials, etc.).

¶19. Intelligence Breakout Group: See para 25.

¶20. Legal Breakout Group: See para 25.

¶21. Law Enforcement Breakout Group: See para 25.

¶22. UK OEG: The UK announced that it would host the next OEG meeting in London on February 4-6, 2008. Further details are forthcoming.

¶23. PSI 5-Year Anniversary: The U.S. announced that it will host a meeting in May/June 2008 to commemorate the 5-year anniversary of PSI. All PSI partners will be invited. Further details are forthcoming.

¶24. Bilateral Meetings: The U.S. conducted bilateral meetings with ten countries: Australia, New Zealand, Greece, Canada, France, Poland, Argentina, Russia, Japan, and the UK. Highlights are below:

(a) Greece - DASD Rich Douglas emphasized the importance of completing a U.S. - Greece PSI shipboarding agreement. The Greek legal representative from the MFA stated that the latest version of the agreement was being reviewed by the Union of Greek Shipowners. Negotiations are stalled on the issue of liability and compensation. DASD Rich Douglas pursued the subject during post-OEG meetings in Athens where Ambassador Xydas of the Greek MFA recommended that Washington send an interagency team to Athens as a final effort to bring the negotiations to completion.

(b) Argentina - While Argentina's decision to send Ambassador Elsa Kelly from the MFA to the OEG was a step in the right direction, there are still questions about Argentina's commitment to PSI. During the bilateral meeting, Ambassador Kelly focused almost exclusively on the status of the international legal frameworks, such as the Law of the Sea Convention and SUA Protocols, and she expressed her frustration with what she perceived as the U.S. practice of negotiating treaties but never ratifying them. During the plenary, the Argentine delegation seemed ill-prepared to discuss other substantive issues in the OEG, likely due to their limited levels of participation at the most recent OEG

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meetings.

(c) Japan - A productive bilateral meeting was held with Japan. On the issue of cluster munitions, Japan agrees with the U.S. that a mandate should come out of the upcoming Convention on Conventional Weapons (CCW) meeting to be held in early November 2007.

¶25. (U) Begin Chairman's Statement: PROLIFERATION SECURITY INITIATIVE OPERATIONAL EXPERTS GROUP MEETING
RHODES, GREECE October 2-4, 2007

CHAIRMAN,S STATEMENT

¶1. The Proliferation Security Initiative (PSI) Operational Experts Group (OEG) met in Rhodes, Greece from October 2nd to 4th, 2007. Experts from twenty countries participated : Argentina, Australia, Canada, Denmark, France, Germany, Greece, Italy, Japan, Netherlands, New Zealand, Norway, Poland, Portugal, Russia, Singapore, Spain, Turkey, the United Kingdom and the United States.

Welcoming Remarks.

¶2. Mr. Ioannis Plakiotakis, Deputy Minister of Defence of Greece, welcomed PSI Operational Experts to Rhodes and stressed Greece,s commitment to the PSI principles, as well as the significance of our common endeavours to counter proliferation of WMD. In this context, he referred to the extensive dialogue and understanding which has been established between PSI countries, creating channels and modes of co-operation in order to increase the effectiveness of our efforts.

Maritime Interdiction.

¶3. PSI Operational Experts focused for the first time on "Bunkering, maritime choke points and hubs" in a panel discussion. Representatives from the United Kingdom, the Netherlands, the United States, Singapore and Japan highlighted the relevance of these issues to the PSI. The United Kingdom gave an overview of transshipment centres and chokepoints and referred to potential targets and vulnerabilities, while noting that few chokepoints coincide with transshipment centres. The Netherlands presented opportunities and challenges for the Initiative at choke points and hubs and during bunkering in port, on the roads or on the high seas. Among the challenges mentioned were the limited capacity of PSI countries in relation to shipping density, the right of transit passage and the willingness of coastal states to cooperate. The United States focused on

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bunkering and highlighted the difficulties involved in controlling these kind of activities, given the different modes by which they can take place, namely by a broker, a trader or by direct arrangement between shipping companies and suppliers. Singapore shared its experience as a major bunkering and maritime hub and provided a case study of the security regulations and measures that were currently in place for vessels bunkering within Singapore's port limits, as well as goods within Singapore's Free Trade Zone. Japan focused on the importance of ad hoc cooperation at choke points in tackling proliferation loopholes, especially between non-PSI coastal states and provided partners with two recent cases of proliferation concern. Finally, the need to enhance outreach activities in parallel with ad hoc cooperation was stressed.

¶4. From the discussion that followed, particular concerns were expressed about certain aspects of maritime trade, such as the opportunities and challenges posed by changes in ownership or flag state of vessels, and the potential vulnerabilities which may arise from bunkering activities.

¶5. PSI Operational Experts then discussed the state-of-play of the ratification of the 2005 Protocols to the "Convention on the Suppression of Unlawful Acts (SUA) at Sea against the Safety of Maritime Navigation". Greece made a presentation on the legislative measures which will have to be taken with respect to the ratification procedure. Subsequently, Norway, the United Kingdom, the United States, France provided updates and referred to domestic issues that still need to be addressed for the conclusion of this process. Russia expressed the opinion that the dual-use goods definition contained in the SUA amendments was too wide and therefore open to subjective interpretation.

¶6. Singapore distributed the latest versions of the matrices related to "Technical Verification Capabilities" and "Flag State Consent" and reiterated its intention to continue to update this information. For this purpose, partners were invited to submit the necessary inputs to Singapore.

United Nations Security Council Resolutions

¶7. Greece underlined that the discussion of UNSCRs at OEG meetings would serve to highlight that PSI partners are committed to the Paris Interdiction principles in a manner consistent with national legislation and relevant international law and legal frameworks, including the provisions of UNSCRs. Greece made a brief presentation on the new elements of UNSCR 1747, followed by measures it has taken to ensure its full implementation. Portugal, which currently holds the EU Presidency, referred to the 2004 EU Council

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Statement, which stressed the importance and relevance of PSI counter-proliferation efforts, and presented the way in which the EU is implementing UNSCRs 1737 and 1747. In the discussion that followed, Russia expressed concern about duplication of efforts with relevant UNSC Committees and suggested the OEG should focus on exchanging UNSCRs implementation experiences which relate directly to the PSI. With respect to UNSCR 1737, Australia referred to the difficulties in implementing sanctions on dual-use goods under OP4c, arising mainly from ambiguity of the information and underlined the importance of timely exchange of information. The United States, referring to the informal open-ended meeting on technical details associated with the implementation of nuclear transfer-related aspects of UNSCR 1737, which was co-chaired in Vienna by the United States and the United Kingdom, informed partners that a summary of the discussions will be distributed at the NSG meeting in November.

¶8. France by providing an update on its DPRK Marine Cartography Initiative, as a case for coordination with other non-proliferation fora, underlined its significance for testing PSI procedures in the cooperation between PSI partners and third countries. France therefore suggested that gathering and exchange of information, as well as outreach activities, should be further pursued. Furthermore, France proposed an exchange of views on national policies towards DPRK ships visiting their ports.

Disposition and Liability

¶9. PSI Operational Experts focused on disposition and liability in a panel discussion on the legal basis and jurisdictional issues. Greece acted as a moderator and made an introduction which was followed by three presentations made by the United Kingdom, the United States and Australia. It was pointed out that the two topics, disposition and liability, were distinct and separate from each other and that the only reason they were connected was that they both represented areas which had not yet been explored and which could create problems in cases of interdiction, particularly of maritime ones. Both topics encompass domestic and international law aspects. Domestic law systems offered

different solutions on various points and several questions had to be addressed. As regards disposition, such questions are: jurisdiction, concurrent requests, the role of judicial assistance, state practice and jurisprudence. With regard to liability, the following issues were identified: the extent of damage for which liability arises, jurisdiction in connection with liability claims, sovereign immunity, state practice and jurisprudence. Therefore, the Plenary agreed that the matter should be further examined by the Legal Break

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Out Group.

¶10. The United Kingdom coordinated a debate on a case scenario between UK intelligence and law experts, each presenting the proposed course of action on the use of intelligence as evidence, depending upon his particular perspective. One of the main elements of the approach presented was to illustrate that achieving a balance between source-protection and disclosure is a challenge, and requires close collaboration between the intelligence and law enforcement communities.

¶11. A panel discussion on the use of intelligence as evidence, as a follow-up to the Auckland OEG meeting, was moderated by the United Kingdom. Panelists from France and Canada presented overviews of relevant domestic frameworks on the use of intelligence as evidence. Information was provided about the French model which permits, to a certain degree, the use of intelligence as evidence in administrative and criminal cases. France also noted that the legal framework related to counter-proliferation is about to be further strengthened. Canada focused on issues of how and when intelligence should be shared and how sensitive information can be protected from disclosure in the course of judicial proceedings. The need to conduct a well-coordinated investigation was underlined, as well as the importance of carefully deciding, at an early stage, the extent to which certain information should be shared and how it will be protected in a prosecution. The observations of the United Kingdom, France and Canada noted the need to balance the protection of sensitive information against the protection of civil rights. Finally, the United Kingdom referred to the "intelligence as evidence" questionnaire that it had circulated and asked partners to complete it before the next OEG meeting.

Exercise Programme

¶12. The Chair of the Informal Exercise Planning Session reported to the plenary on the session and on the full calendar of activities for the period 2007-2010.

¶13. Japan provided a preview of the upcoming maritime interdiction exercise "Pacific Shield 07" which it hosted from October 13-15, 2007. New Zealand presented an outline of the maritime interdiction exercise "Maru", which is to be held in Auckland from September 15-19, 2008. France gave an overview of its maritime interdiction exercise "Guistir", which will take place in Djibouti on 11-12 March, 2008. Poland invited partners to participate in the exercise "Eastern Shield", a multi-modal exercise held in Ukraine from October 29-31, 2007. The exercise was organised jointly by

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Poland, Ukraine and Romania with the participation of other Black Sea countries. The United States reported back on the PSI Game held at the Naval War College in Rhode Island in June 2007. Finally, Poland made short presentations on the exercises completed in Central and Eastern Europe, the air interdiction exercise "Smart Raven", in Lithuania in late April 2007, and the maritime interdiction exercise "Adriatic Gate" in Slovenia in late May 2007.

Ground and Air Interdiction

14 The US Customs and Border Protection described the various complementary components of its Layered Enforcement Strategy. As concerns the jurisdiction of its Law Enforcement Authority, the presentation focused on measures taken in cases of detention, seizure and mis-delivery of merchandise. Australia reported on the results of the meeting of the ICAO Legal Committee that took place in Montreal in July 2007, where the issue was raised of whether a transport offence similar to that adopted in the 2005 SUA Protocol could be pursued in the aviation context. This Committee agreed that further consideration of this issue by the ICAO Council would be necessary and the item will be discussed at the Council in November 2007. Australia asked OEG partners to consider the transport offence proposals and consult with their relevant domestic Ministries before this Council meeting. While some partners expressed their full support for this initiative, others needed more time for internal consultations. France expressed its interest for EU consultations. The United States provided an update on its overflight consent matrix and called on partners to continue submitting further inputs.

Proliferation Financing.

¶15. Canada reported back on the FATF's development of non-binding Guidance to jurisdictions on effective implementation of UNSCR prohibitions on WMD proliferation financing. This Guidance will focus on the implementation of targeted financial sanctions, activity-based financial prohibitions and broader financial prohibitions. Canada informed partners that the Working Group on Typologies will meet in Bangkok in November 2007 to begin typologies work that will eventually lead to guidance on broader financial prohibitions. The United Kingdom will arrange an update on the FATF process at the next OEG meeting.

Regional Outreach, Industry Outreach, National Organisation.

¶16. New Zealand reported on the results of the Asia-Pacific Outreach Forum of March 2007, which generated a useful level

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of interest in the PSI, particularly from Pacific Forum countries. The meeting had resulted in a discussion of the PSI at two following Pacific Forum meetings and a recommendation to Forum members to endorse the PSI. In its presentation, Australia underlined that the PSI has not met its core potential and that key Asian states, such as China and India, do not support the PSI. Participation in exercises was considered one of the most effective ways of promoting understanding of the PSI and it was also deemed useful to develop regional tools for outreach activities. Poland provided an update on the Abu Dhabi seminar held in May 2007, with wide participation from GCC countries and Yemen. Poland also briefed partners on global outreach efforts it carried out on the occasion of the 4th anniversary of the PSI and presented positions of some countries of prime importance for PSI outreach. Finally, the United States underlined the need to assist non-OEG PSI-endorsing nations on the lessons learnt, the knowledge gained and the tools developed within the OEG. It discussed the possible methods in which this can be best achieved and requested partners to offer relevant suggestions at the next OEG meeting. Russia informed partners on guidelines adopted by member states of the Organization of the Treaty on Collective Security (OTCS) on interdiction of illegal trafficking of WMD, their means of delivery and related materials. Germany announced that it will prepare an internal website for general information of PSI partners.

Industry Outreach

¶17. The Netherlands stressed the significance of broad industry awareness and involvement in PSI-related issues and

underlined that the transport (shipping and air) industry is a crucial partner. The Netherlands reported on its national practice. Portugal briefed the OEG on its industry outreach initiatives, and especially on its seminar on exports control and non-proliferation. The need to maintain contact with industry and move towards more direct and sector-based approaches was highlighted. Denmark and the United Kingdom provided partners with information on the Danish/UK bilateral PSI tabletop exercise "Mercury" held in London in early June 2007, which focused on cooperation with industry, in which industry was a key participant. The exercise identified various lessons and stressed the value which small bi-lateral exercises can add and that outreach efforts to industry need to be further pursued.

National Organisation

¶18. Greece provided an overview of its experience in combating the illicit trafficking of radiological and nuclear materials. It presented the system in place to confront this threat and underlined the merit of close cooperation between

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the IAEA and the Greek Atomic Energy Agency.

¶19. The United States informed partners that Kyrgyzstan endorsed PSI principles in September 2007, following endorsements by Montenegro and Lichtenstein. It also briefed the OEG on the "Panamax" exercise in Central America and on the close cooperation that it maintains with the United Arab Emirates on export controls and mentioned that the latter has recently passed an export control law. Finally, the United States informed partners about the two seminars on counter-proliferation which were held in Monterey, in July and August of 2007, with the participation of many OEG countries.

Capacity Building and Technical Assistance

¶20. New Zealand provided an update on the PSI Model National Response Plan. Subject to final comments from partners, New Zealand will publish a final version shortly. All OEG members were welcome to use the Model Plan as a tool for outreach to governments. Partners were invited to send any substantive comments to New Zealand by November 1, 2007 at the latest. France, Canada and Spain offered to assist with translations into other languages. New Zealand offered to draft, in time for the London OEG meeting, a shorter "summary" version of the Model Plan which could be used for wider public diplomacy purposes.

¶21. The United States made a presentation on the WMD/missile commodity technical reference manual, which was distributed to the OEG. The purpose of the manual is to increase the awareness of industry and to help OEG countries in outreach activities.

Reports from Break Out Group Chairs

¶22. OEG Legal Breakout Session The Legal Break Out Group examined all the items of its agenda. It discussed the legal aspects of the common scenario which contained questions relating to national law and international law issues. Participants agreed that maritime and air interdiction activities have to be conducted in accordance with the international law, to include law of the sea and international air law.

¶23. Singapore and the United States gave updates on the legal aspects of technical assistance questionnaire, on the legal reference library, and on the compendium of legal writings on PSI, respectively. The United States will update the PSI Law Library annually. The Netherlands presented and distributed for Delegations a CD with legal background materials. The Group heard an expos, by Greece on domestic implementation of

the international obligations impacting customs.

¶24. The Group continued its consideration of disposition and liability and agreed, following a proposal by the United States, that partners will communicate to the US Delegation their views, practices and jurisprudence. The United States will incorporate the feedback into the non-paper. Following suggestions at the Plenary and the Break Out Group, it was decided to examine disposition and liability as separate items.

¶25. OEG Law Enforcement Breakout Session. The Law Enforcement Breakout Group heard presentations by Greece that highlighted the role of Customs in enhancing security and the use of risk analysis for the selection of high risk consignments. The United States made a presentation on the Secure Freight Initiative, a new cooperative effort that is considered the first evolution from the Container Security Initiative (CSI).

¶26. The group discussed the common scenario and underlined the importance of incorporating lessons learnt and experiences gained from the PSI, in the national communication process, which leads to an uninterrupted exchange of information and facilitation of communication. Rapid and accurate exchange of information is crucial for the timely response of Law Enforcement Agencies.

¶27. Almost all countries have the authority to control transit shipments. With regard to maritime interdiction, it was confirmed that hot pursuit may be conducted under the terms of Article 111 of the UNCLOS.

¶28. OEG Intelligence Breakout Session. From the discussion of the common scenario, the Group concluded that states would share information even when it is not connected to an ongoing case. Most of the states would directly communicate with private companies under specific circumstances, in order to cooperate and exchange views and information concerning proliferation activities. It is also very likely that in a number of states the companies themselves would come in contact with relevant intelligence agencies. In this context, partners acknowledged the contribution of PSI experience. During the past years, numerous states have received sensitive information concerning PSI activities from OEG and non-OEG member states related to a PSI incident. Information has been shared even in cases where such information was probably already known.

¶29. The Australian Defence Intelligence Organisation provided a presentation on DPRK Potential Commercial Shipping Routes for Proliferation. This presentation indicated that DPRK is

likely to continue using maritime shipments to export cargo of proliferation concern and complicating the identification of its proliferation-related shipments. Generic trade routes are used in an attempt to blend proliferation shipments with legitimate trade transfers. Identification of chokepoints is very difficult. Commercial shipping vessels transiting the DPRK could be exploited for proliferation purposes.

¶30. The Group also concluded that, if possible, PSI exercises and games should include lessons learnt and scenarios covering situations in which PSI countries choose not to release information to some or all partners. This would reflect real-life experience.

Next OEG Meeting

¶31. Delegations welcomed the United Kingdom's offer to host the next PSI OEG meeting, which, subject to confirmation, will take place in London from February 4th to 6th, 2008.

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¶32. Partners welcomed the announcement by the United States on its offer to host a High Level Political Meeting in May/June 2008 in Washington D.C., on the occasion of the 5th anniversary of the PSI.

ANNEX: SUMMARY OF OEG ACTION ITEMS

¶1. Delegations to submit to Singapore inputs for the matrices on Technical Verification Capabilities and Flag State Consent.

¶2. Delegations to complete the "use of intelligence" questionnaire and submit it to the United Kingdom before the next OEG meeting.

¶3. The United Kingdom to develop a questionnaire on issues related to disposition and liability for the next OEG meeting.

¶4. Delegations to provide updates on the Overflight Consent Matrix to the United States before the next OEG meeting.

¶5. Delegations were asked to come forward with examples of "successes", both operational and improvements to national capabilities, which could be used both to further dialogue and as outreach tools.

¶6. Delegations agreed that reporting on FATF activity should continue.

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¶7. Delegations to continue to share their legislative experiences relating to the implementation of the 2005 SUA Protocols with PSI partners.

¶8. Delegations to consider the ICAO proposal, consulting with relevant domestic Ministries as appropriate and Australia to report back on further progress by ICAO towards amending the existing air legal framework.

¶9. New Zealand will publish a final version of PSI Model National Response Plan. Delegations should send any substantive comments by November 1, 2007. New Zealand will prepare a summary version of the Model Plan for discussion at the next OEG meeting.

¶10. OEG participants to respond to the request from the US to offer suggestions at the next OEG meeting on how to improve outreach efforts to non-OEG PSI-endorsing nations.

¶11. Germany will prepare an internal website for general information of PSI partners.

¶12. Delegations to provide information to France on national policies towards DPRK ships visiting their ports to enable an exchange of views on that point as a follow-on step to the cartography project.

¶13. Delegations to provide comments on and contributions for the PSI Law Library to the United States before the next OEG meeting.

¶14. Delegations to provide input on the US non-paper on interdiction, disposition and liability to the United States before the next OEG meeting.

End Chairman's Statement

POINTS OF CONTACT

¶26. Please slug responses for OSD GSA (Beth Flores and

State/ISN/CPI (Carlos Guzman). USG POC for PSI Operational Experts Group issues is OSD/GSA: Beth Flores Phu. USG POC for operational legal matters is Gary Sharp, DOD/OGC. USG POC for PSI policy issues is Carlos Guzman, State/ISN/CPI.
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